

Australian Clinical Labs Limited

ABN 94 645 711 128
Registered Office:
1868-1892 Dandenong Road
Clayton VIC 3168
Australia

clinicallabs.com.au

Monday, 16 February 2026

ACL 1H26 FINANCIAL RESULTS

The following announcements to the market are attached:

- ✓ Appendix 4D
- ✓ 1H26 financial statements and statutory reports
- 1H26 financial results investor presentation

- ENDS -

This announcement was authorised for release to ASX by the Board of ACL. For further information regarding this announcement, please contact:

Investor Relations

Matthew Cordingley
Chief Financial Officer
Email: matthew.cordingley@clinicallabs.com.au
Phone: +61 (0) 409 287 681

Governance

Eleanor Padman
Company Secretary
Email: epadman@padmanadvisory.com.au
Phone: +61 (0) 422 002 918

For personal use only

ASX Listing Rule 4.2A**Current reporting period:**

Half-year ended 31 December 2025

Previous reporting period:

Half-year ended 31 December 2024

Results for announcement to the market		Percentage change %	31 Dec 2025 \$'m
Statutory			
Total revenue from ordinary activities	Down	1.0%	365.4m
Profit attributable to members of Australian Clinical Laboratories Limited	Down	52.4%	5.6m
Underlying¹			
Total revenue from ordinary activities	Down	1.0%	365.4m
Profit attributable to members of Australian Clinical Laboratories Limited	Up	9.1%	13.1m

Earnings per share		Percentage change %	31 Dec 2025 Cents per share
Statutory			
Basic earnings per share	Down	50.7%	2.87c
Diluted earnings per share	Down	50.7%	2.86c
Underlying¹			
Basic earnings per share	Up	12.8%	6.75c
Diluted earnings per share	Up	13.0%	6.71c

¹ Underlying profit excludes the impact of non-recurring items. A reconciliation between Statutory profit and Underlying profit is contained in our ASX investor presentation.

Dividends	Amount per security	Franked amount per security
FY2026		
Interim dividend	3.75c	3.75c
FY2025		
Interim dividend	3.50c	3.50c

Record date for determining entitlements to the interim dividend

13 March 2026

The dividend reinvestment plan will remain suspended for the FY26 interim dividend.

Appendix 4D

Half-Year Report

Commentary on results for the period

For an explanation of the results refer to the ASX and media release and Half-Year Report.

This report is based on the Half-Year Financial Report which has been reviewed by Pitcher Partners. Additional Appendix 4D disclosure requirements can be found in the Half-Year Financial Report attached, which contains the Directors' Report, the Directors' Declaration and the consolidated financial statements for the half-year ended 31 December 2025.

This information should be read in conjunction with the 2025 Annual Financial Report and public announcements made in the period by Australian Clinical Labs Limited, in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.

For personal use only

For personal use only

Consolidated Financial Report

For the half-year ended 31 December 2025

This half-year report is to be read
in conjunction with the consolidated
financial report of Australian Clinical Labs
Limited for the year ended 30 June 2025

Australian Clinical Labs Limited
ACN 645 711 128



For personal use only

Contents

02 Directors' Report

05 Auditor's
Independence Declaration

07 Consolidated statement
of profit or loss

08 Consolidated statement
of other comprehensive Income

09 Consolidated statement
of financial position

10 Consolidated statement
of changes in equity

11 Consolidated statement
of cash flows

12 Notes to the consolidated
financial statements

21 Directors' Declaration

22 Independent Auditor's
Review Report

For personal use only

Directors' Report

for the half-year ended 31 December 2025

Overview

The Directors of Australian Clinical Labs Limited (referred to as 'the Company') present their Report for the financial period ended 31 December 2025 (referred to as 'the period' or 'the half-year') accompanied by the Financial Report of Australian Clinical Labs Limited and the entities it controlled (referred to as 'Clinical Labs', 'ACL' or 'the Group') from time to time during the period.

Pursuant to the requirements of the *Corporations Act 2001* (Cth) (Corporations Act), the Directors' Report follows:

Directors

The following persons were Directors of the Company during the half-year (or, where indicated, during part of the half-year) and/or up to the date of this report:

Directors	Position	Date Appointed/Resigned
Stephen Roche	Board Chair Independent Non-Executive Director	Appointed Chair 26 August 2025
Melinda McGrath	Chief Executive Officer and Executive Director	
Mark Haberlin	Interim Board Chair Independent Non-Executive Director	Interim Chair – 1 May to 25 August 2025
Christine Bartlett	Independent Non-Executive Director	
Dr Leanne Rowe AM	Independent Non-Executive Director	Resigned 22 October 2025
Sarah Butler	Independent Non-Executive Director	
Grant Jeffery	Independent Non-Executive Director	

For personal use only

Review of operations

Key financial highlights in the six months ended 31 December 2025 include:

- Total revenue of \$365.4m
- Underlying EBITDA¹ of \$94.7m
- Underlying EBIT¹ of \$28.0m
- Underlying NPAT¹ of \$13.2m
- Free cash flow before interest, tax and financing² of \$21.0m
- Interim dividend declared of 3.75 cents per share

In the first half of FY26 Underlying EBIT grew by 2.4% despite negative revenue growth as a result of subdued market conditions and ACL portfolio rationalisation. ACL MBS outlays contracted 1.4%³ against market growth of 1.8%⁴. However Underlying EBIT Margin of 7.7% is up from 7.4% in 1H25, mainly driven by positive returns from continued improvements in operating efficiency and productivity.

While market growth was tempered, there was continued strength in Genetic and Reproductive Health testing, with above market expansion in carrier screening and improved performance in non-invasive prenatal testing and fertility-related services. Oncology genomic testing volumes increased significantly, supported by the introduction of EndoPredict to the Medicare Benefits Schedule, resulting in strong uptake from oncologists. Specialist referral growth remained positive, particularly in outpatient settings.

General practitioner referral growth was constrained by the rationalisation of underperforming Approved Collection Centres, Medicare funding changes affecting vitamin B12 testing, and softer GP consultation activity. However, an improvement in GP volumes in the second half of FY26 is anticipated following the introduction of bulk billing incentive measures that came into effect late in November 2025.

During the period, e-commerce and broader digitalisation initiatives enabled the collection of upfront payments from patients, contributing to higher non-MBS revenue and a reduction in bad debt write-offs.

Labour costs continued to track well in the half, remaining at 44%⁵ of revenue despite mandated inflation increases of 3.5% to modern awards and superannuation guarantee rate increases of 0.5% from 1 July 2025, thus reflecting disciplined workforce management and ongoing productivity improvements. Operational efficiency within the laboratories strengthened further, with panels processed per full-time equivalent rising by 10.1%, supported by the advantages of ACL's single national laboratory information system. Logistics performance also improved, with route optimisation initiatives delivering a 13% uplift in efficiency and reducing total kilometres travelled by approximately 900,000kms.

Consumables expenditure improved as well, decreasing by 40 basis points to 17.4% of revenue. The organisation's use of shared services continues to provide valuable flexibility in resourcing and other variable cost areas, helping maintain operational resilience.

Final testing is underway for AI-enabled tools designed to enhance back office functions, including manual data entry processes. These initiatives are expected to unlock meaningful cost savings in late FY26 and onward.

Work continued to progress on the Lab of the Future project, which is expected to materially improve laboratory productivity, service outcomes and cost efficiency through increased automation. More than 50% of routine pathology work is targeted to be processed in a highly automated, 24/7 laboratory environment. As the program is progressively rolled out through FY27 and FY28, overall laboratory efficiency is expected to increase resulting in material labour cost benefits. The program is also expected to substantially improve turnaround times for critical GP tests through priority testing protocols, underpinned by ACL's single national Laboratory Information System.

ACL continues to leverage its strong cash flows and balance sheet and returned \$27.8m back to shareholders via dividends and share buybacks in the first half.

ACL retains a strong balance sheet, with net debt excluding lease liabilities of \$49.8m noting that in the half ACL paid \$6.2m to Australian Information Commissioner (AIC) as part of a settlement relating to a cyberattack on the Medlab Pathology business, acquired by ACL in 2021. ACL is well within its banking covenants as of 31 December 2025.

1 Underlying figures are calculated excluding certain non-recurring revenue and expenses (other income \$0.4m relating to historical GST claim and other expenses \$8.6m predominately relating to AIC settlement \$6.2m, Labour cost – prior period underpayments \$1.4m, other legal fees and restructuring costs \$1.0m and associated income tax -\$0.7m).

2 Excludes AIC settlement of \$6.2m.

3 ACL growth ex non-Medicare commercial work and adjusted for working days.

4 Market data based on working day adjusted Medicare statistics.

5 Excluding non-recurring labour relating to prior period underpayment.

Directors' Report *cont.*

for the half-year ended 31 December 2025

Dividends

In respect of the half-year ended 31 December 2025, an interim dividend of 3.75 cents per share (100% franked) has been declared with a record date of 13 March 2026 and payable on 31 March 2026.

Subsequent events

Since the end of the financial period, the Directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half-year is provided with this report on page 5.

Rounding off of amounts to nearest thousand dollars

The Company is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Instrument, amounts in this Report and the Financial Report are rounded off to the nearest thousand dollars or, in certain cases, to the nearest dollar.

Some numerical figures included in this report have been subject to rounding adjustments. Any differences between totals and sums of components in tables or figures contained in this report are due to rounding.

Signed in accordance with a resolution of the Directors:



Stephen Roche
Chair

14 February 2026

For personal use only

Auditor's Independence Declaration to the Directors of Australian Clinical Labs Limited



AUSTRALIAN CLINICAL LABS LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AUSTRALIAN CLINICAL LABS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief in relation to the review of the financial report of Australian Clinical Labs Limited for the half-year ended 31 December 2025, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the review.

A handwritten signature in black ink, appearing to read "B Powers".

B POWERS
Partner

Date: 14 February 2026

A handwritten signature in black ink, appearing to read "Pitcher Partners".

PITCHER PARTNERS
Melbourne

Pitcher Partners. An independent Victorian Partnership ABN 27 975 255 196. Level 13, 664 Collins Street, Docklands, VIC 3008
Pitcher Partners is an association of independent firms. Liability limited by a scheme approved under Professional Standards Legislation.
Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities

Adelaide Brisbane Melbourne Newcastle Sydney Perth

pitcher.com.au

For personal use only

For personal use only

Financial Statements

For the half-year ended 31 December 2025

Consolidated statement of profit or loss

for the half-year ended 31 December 2025

	Note	6 months to 31 Dec 2025 \$'000	6 months to 31 Dec 2024 \$'000
Revenue	3	365,394	369,172
Other income	3	397	1,034
Total		365,791	370,206
Consumables		(63,581)	(65,841)
Labour costs		(160,929)	(160,887)
Labour costs – prior period underpayments	4(a)	(1,443)	–
Property costs		(7,385)	(7,275)
Repairs and maintenance		(4,523)	(5,508)
AIC settlement	4(b)	(6,200)	–
Acquisition, restructuring and other insurance-related expenses		(987)	(1,460)
Other operating expenses	4(c)	(34,311)	(34,523)
Depreciation		(6,305)	(6,732)
Depreciation of right-of-use assets		(60,281)	(60,975)
Amortisation of intangible assets		(120)	(114)
Total operating costs		(346,065)	(343,315)
Earnings before interest and tax		19,726	26,891
Net finance costs	5	(8,527)	(9,142)
Profit before income tax		11,199	17,749
Income tax expense	6	(5,478)	(5,906)
Profit for the half-year		5,721	11,843
Net (profit) attributable to non-controlling interests		(153)	(155)
Net profit to members of Australian Clinical Labs Limited		5,568	11,688
Earnings per share		Cents per share	Cents per share
Basic earnings per share from continuing operations	7	2.87	5.83
Diluted earnings per share from continuing operations	7	2.86	5.79

The accompanying notes numbered 1 to 15 form part of these financial statements.

For personal use only

Consolidated statement of other comprehensive income

for the half-year ended 31 December 2025

	6 months to 31 Dec 2025 \$'000	6 months to 31 Dec 2024 \$'000
Profit for the half-year	5,721	11,843
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Exchange differences on translation of foreign operations	34	153
Other comprehensive income for the half-year, net of tax	34	153
Total comprehensive income for the half-year	5,755	11,996
Total comprehensive income attributable to:		
Members of Australian Clinical Labs Limited	5,602	11,841
Non-controlling interests	153	155
	5,755	11,996

The accompanying notes numbered 1 to 15 form part of these financial statements.

For personal use only

Consolidated statement of financial position

for the half-year ended 31 December 2025

	Note	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Current Assets			
Cash and cash equivalents		22,432	21,442
Trade and other receivables	8	59,483	72,797
Inventories		16,548	15,624
Other assets	9	16,318	10,202
Current tax assets		670	–
Total Current Assets		115,451	120,065
Non-Current Assets			
Plant and equipment		33,990	36,858
Right-of-use assets		228,244	233,255
Intangible assets		165,089	165,209
Other assets	9	2,380	2,483
Deferred tax assets		17,345	16,968
Total Non-Current Assets		447,048	454,773
Total Assets		562,499	574,838
Current Liabilities			
Trade and other payables		45,737	51,571
Lease liabilities		104,365	108,599
Provisions		46,435	47,241
Deferred consideration		49	49
Current tax liabilities		48	8,536
Other liabilities		314	411
Total Current Liabilities		196,948	216,407
Non-Current Liabilities			
Trade and other payables		–	880
Lease liabilities		138,498	139,810
Borrowings	10	72,247	41,968
Provisions		3,672	3,695
Deferred consideration		97	97
Total Non-Current Liabilities		214,514	186,450
Total Liabilities		411,462	402,857
Net Assets		151,037	171,981
Equity			
Issued capital	11	766,504	775,524
Reserves		(770,538)	(770,708)
Retained earnings		154,601	166,538
Total Parent Entity Interest		150,567	171,354
Non-Controlling Interest		470	627
Total Equity		151,037	171,981

The accompanying notes numbered 1 to 15 form part of these financial statements.

Consolidated statement of changes in equity

for the half-year ended 31 December 2025

	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interest \$'000	Total \$'000
6 months ended 31 December 2025						
Opening balance at 1 July 2025	775,524	(770,708)	166,538	171,354	627	171,981
Profit for the half-year	–	–	5,568	5,568	153	5,721
Exchange differences on translation of foreign operations	–	34	–	34	–	34
Total other comprehensive income for the half-year net of tax	–	34	–	34	–	34
Total comprehensive income for the half-year	–	34	5,568	5,602	153	5,755
Transactions with owners in their capacity as owners						
Share-based payments	–	1,082	–	1,082	–	1,082
Dividend declared and paid	–	–	(17,505)	(17,505)	–	(17,505)
Dividends paid to minority interests in controlled entities	–	–	–	–	(310)	(310)
Allocation of treasury shares	946	(946)	–	–	–	–
Share buy-back net of transaction costs	(9,966)	–	–	(9,966)	–	(9,966)
Closing balance at 31 December 2025	766,504	(770,538)	154,601	150,567	470	151,037
6 months ended 31 December 2024						
Opening balance at 1 July 2024	791,762	(773,288)	159,054	177,528	237	177,765
Profit for the half-year	–	–	11,688	11,688	155	11,843
Exchange differences on translation of foreign operations	–	153	–	153	–	153
Total other comprehensive income for the half-year net of tax	–	153	–	153	–	153
Total comprehensive income for the half-year	–	153	11,688	11,841	155	11,996
Transactions with owners in their capacity as owners						
Share-based payments	–	1,797	–	1,797	–	1,797
Dividend declared and paid	–	–	(18,039)	(18,039)	–	(18,039)
Allocation of treasury shares	573	(573)	–	–	–	–
Share buy-back net of transaction costs	(4,406)	–	–	(4,406)	–	(4,406)
Closing balance at 31 December 2024	787,929	(771,911)	152,703	168,721	392	169,113

The accompanying notes numbered 1 to 15 form part of these financial statements.

Consolidated statement of cash flows

for the half-year ended 31 December 2025

Note	6 months to 31 Dec 2025 \$'000	6 months to 31 Dec 2024 \$'000
Cash flows from operating activities		
Receipts from customers and government grants	381,275	383,106
Payment to suppliers and employees	(295,146)	(285,012)
Cash provided by operations	86,129	98,094
Interest received	184	208
Interest and costs of finance paid	(8,432)	(9,376)
Income tax paid	(15,013)	(7,830)
Net cash provided by operating activities	62,868	81,096
Cash flows from investing activities		
Proceeds from sale of plant and equipment	111	73
Purchase of plant and equipment	(3,468)	(4,001)
Net cash used in investing activities	(3,357)	(3,928)
Cash flows from financing activities		
Principal portion of lease payments	(60,774)	(60,203)
Share buy-back	(9,966)	(4,406)
Repayment of borrowings	(5,000)	(26,000)
Proceeds from borrowings	35,000	26,000
Dividends paid	(17,505)	(18,035)
Dividends paid to minority interests in controlled entities	(310)	–
Net cash used in financing activities	(58,555)	(82,644)
Net increase/(decrease) in cash and cash equivalents	956	(5,476)
Foreign exchange differences on cash holdings	34	153
Cash and cash equivalents at the beginning of the half-year	21,442	26,136
Cash and cash equivalents at the end of the half-year	22,432	20,813

The accompanying notes numbered 1 to 15 form part of these financial statements.

For personal use only

Notes to the consolidated financial statements

for the half-year ended 31 December 2025

Note 1: Basis of Preparation of the Half-Year Financial Report

This consolidated half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by Australian Clinical Labs Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

This half-year financial report includes financial statements for the Consolidated Group ('the Group') consisting of Australian Clinical Labs Limited and its subsidiaries. Australian Clinical Labs Limited is a for-profit entity domiciled in Australia.

The half-year financial report was authorised for issue by the Directors on 14 February 2026.

(a) Compliance with IFRS

This consolidated half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as appropriate for for-profit entities, and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

(b) Basis of preparation

The half-year financial report has been prepared on the basis of historical cost except for the revaluation of financial assets and liabilities at fair value through profit or loss. Cost is based on the fair values of the consideration given in exchange for assets. Where applicable, comparatives may be restated in line with current year presentation.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report of Australian Clinical Labs Limited for the year ended 30 June 2025.

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2025. The application of new and revised accounting standards had no material impact on initial application.

(c) Going concern

As at 31 December 2025 the Group recorded a deficiency in net current assets of \$81.5m (30 June 2025: \$96.3m). This has been caused by AASB 16 *Leases*, whereby \$104.4m (30 June 2025: \$108.6m) of lease liability has been recognised as current, however the corresponding right-of-use asset is non-current. Excluding the current portion of the lease liability, the Group has a current asset surplus of \$22.9m (30 June 2025: \$12.3m).

The Directors have concluded that the Group will be able to pay its debts as and when they fall due with consideration of the above factors, profitability and operating cash flows of the Group. Accordingly, the accounts have been prepared on a going concern basis.

(d) Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that instrument, amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Some numerical figures included in this report have been subject to rounding adjustments. Any differences between totals and sums of components in tables or figures contained in this report are due to rounding.

Note 2: Segment Information

The Group's Chief Executive Officer and the Board of Directors (the chief operating decision makers) review the Group's performance of the business to assess performance and determine the allocation of resources. Discrete financial information is reported to the chief operating decision makers on at least a monthly basis. The discrete financial information is provided by one operating segment and one geographical segment, being Australia.

The Group has one reportable segment:

Pathology

Pathology/clinical laboratory services provided in Australia.

For personal use only

Note 3: Revenue and Other Income

	6 months to 31 Dec 2025 \$'000	6 months to 31 Dec 2024 \$'000
An analysis of the Group's revenue for the half-year is as follows:		
Pathology revenue	352,343	357,809
Clinic revenue	9,076	8,930
Rental revenue from subleasing right-of-use assets	631	513
Other revenue	3,344	1,920
Total revenue	365,394	369,172
Other		
Insurance claim proceeds	–	1,034
Other income	397	–
Total other income	397	1,034

During the 2022 financial year, one of our laboratories based in Queensland was flooded with extensive damage caused to the laboratory equipment and consumables on hand. Insurance claim proceeds were recognised for specific equipment verified by the insurers in the six months to 31 December 2024 totalling \$0.2m. The insurance claim is ongoing and as such, a contingent asset exists (see Note 13 for further details).

During the 2024 financial year a fire occurred at an external storage facility where the Group was temporarily storing some laboratory equipment. Net insurance claim proceeds were recognised totalling \$0.9m in the six months to 31 December 2024.

Notes to the consolidated financial statements *cont.*

for the half-year ended 31 December 2025

Note 4: Expenses

	6 months to 31 Dec 2025 \$'000	6 months to 31 Dec 2024 \$'000
(a) Labour costs – prior period underpayments		
Employee portion	1,318	–
Associated on-costs	125	–
	1,443	–

Instances of employee underpayments were identified within a review period of FY17 to FY25 that have been provisioned at 31 December 2025. Payment to current employees has been made post half-year end, whilst payment for former employees is being made as identity verification occurs.

	6 months to 31 Dec 2025 \$'000	6 months to 31 Dec 2024 \$'000
(b) AIC settlement		
Civil penalties	5,800	–
Contribution to AIC's legal costs	400	–
	6,200	–

A settlement was reached between ACL and the Australian Information Commissioner (AIC) to resolve the civil penalty proceeding commenced in the Federal Court in November 2023 relating to a cyberattack on the Medlab Pathology business acquired by ACL. Under the orders ACL paid aggregate civil penalties of \$5.8m and made a contribution of \$0.4m to the AIC's legal costs.

	6 months to 31 Dec 2025 \$'000	6 months to 31 Dec 2024 \$'000
(c) Other operating expenses		
Bad and doubtful debts	2,850	2,942
Audit and other assurance services	224	216
Other costs	31,237	31,365
	34,311	34,523

For personal use only

Note 5: Net Finance Costs

	6 months to 31 Dec 2025 \$'000	6 months to 31 Dec 2024 \$'000
Finance income		
Bank deposits	184	209
Finance expenses		
Interest expense – leasing arrangements	(7,052)	(7,254)
Other borrowing costs	(1,659)	(2,097)
	(8,711)	(9,351)
Net finance costs	(8,527)	(9,142)

Other borrowing costs consist of all costs in relation to the Group's borrowings including interest and amortisation of any other costs incurred in arranging borrowings.

Note 6: Income Tax

	6 months to 31 Dec 2025 \$'000	6 months to 31 Dec 2024 \$'000
(a) Components of income tax expense		
Current tax	5,845	6,746
Deferred tax	(367)	(840)
Income tax expense	5,478	5,906
(b) Income tax reconciliation		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Profit before tax	11,199	17,749
Domestic tax rate	30%	30%
	3,360	5,325
Adjustments for non-temporary differences:		
Net non-taxable and non-deductible items	2,118	581
Income tax expense	5,478	5,906

Notes to the consolidated financial statements *cont.*

for the half-year ended 31 December 2025

Note 7: Earnings Per Share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share ('EPS') has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares.

	6 months to 31 Dec 2025 Cents	6 months to 31 Dec 2024 Cents
Basic earnings per share	2.87	5.83
Diluted earnings per share	2.86	5.79
Earnings		
	6 months to 31 Dec 2025 \$'000	6 months to 31 Dec 2024 \$'000
The earnings used in the calculation of basic and diluted earnings per share are the same and can be reconciled to the consolidated statement of profit or loss and other comprehensive income as follows:		
Profit for the half-year	5,721	11,843
Net (profit) attributable to non-controlling interests	(153)	(155)
Earnings used in calculating basic and diluted earnings per share	5,568	11,688
Weighted average number of shares		
	6 months to 31 Dec 2025	6 months to 31 Dec 2024
The weighted average number of shares used in the calculation of basic earnings per share	193,726,098	200,316,894
The weighted average number of shares and potential ordinary shares used in the calculation of diluted earnings per share	194,785,595	201,803,133

Performance rights under the Australian Clinical Labs Limited Rights Plan are determined to be contingently issuable shares because their issue is contingent upon satisfying specified conditions in addition to the passage of time and therefore are not included in the determination of diluted earnings per share.

Note 8: Trade and Other Receivables

	31 Dec 2025 \$'000	30 June 2025 \$'000
Current		
Trade receivables	57,476	59,278
Allowance for expected credit loss	(14,021)	(12,725)
	43,455	46,553
Accrued revenue	13,663	23,775
Other receivables	2,365	2,469
	59,483	72,797

Note 9: Other Assets

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Current		
Prepayments	15,615	9,523
Bonds and securities	703	679
	16,318	10,202
Non-current		
Prepayments	930	1,033
Other	1,450	1,450
	2,380	2,483

Other assets include convertible notes acquired in Geneseq.

Note 10: Borrowings

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Non-current		
Unsecured – at amortised cost		
Bank loans	72,247	41,968

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

Loan	Currency	Nominal interest rate	Year of maturity	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Bank loans	AUD	BBSY + 1.55% - 2.45%	2027	72,247	41,968

The financial covenants are shown below:

1. Leverage Ratio – The Group's leverage ratio as at 31 December 2025 is 0.7 (30 June 2025: 0.3), which is under the upper threshold of 3.50 (30 June 2025: 3.50).
2. Interest Coverage Ratio – The Group's interest coverage ratio as at 31 December 2025 is 23.0 (30 June 2025: 20.0), which is over the bottom threshold of 3.0 (30 June 2025: 3.00).

The Group complied with the covenants throughout the reporting period and as such, the loan is classified as a non-current liability at 31 December 2025.

Notes to the consolidated financial statements *cont.*

for the half-year ended 31 December 2025

Note 11: Issued Capital

(a) Share capital

	31 Dec 2025 Shares	30 Jun 2025 Shares	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Fully paid ordinary shares	192,220,870	195,791,386	770,766	780,732
Other equity securities				
Treasury shares	(997,435)	(1,324,497)	(4,262)	(5,208)
	191,223,435	194,466,889	766,504	775,524

(b) Ordinary shares

All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of Australian Clinical Labs Limited.

When share buy-backs occur, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from issued capital.

Date	Details	Number of shares	Value of shares
6 months to 31 Dec 2025			\$'000
1/07/2025	Opening balance of the Group	195,791,386	780,732
Nov 2025	Share buy-back	(1,317,744)	(3,603)
Dec 2025	Share buy-back	(2,252,772)	(6,363)
31/12/2025	Closing balance of the Group	192,220,870	770,766

Date	Details	Number of shares	Value of shares
12 months to 30 June 2025			\$'000
1/07/2024	Opening balance of the Group	201,834,015	797,975
Oct 2024	Share buy-back	(305,158)	(1,109)
Nov 2024	Share buy-back	(775,706)	(2,687)
Dec 2024	Share buy-back	(177,332)	(610)
Feb 2025	Share buy-back	(1,217,287)	(3,807)
Mar 2025	Share buy-back	(702,520)	(2,150)
Apr 2025	Share buy-back	(800,497)	(2,431)
May 2025	Share buy-back	(2,064,129)	(6,326)
Jun 2025	Deferred tax on transaction costs associated with issue of shares	–	1,877
30/06/2025	Closing balance of the Group	195,791,386	780,732

For personal use only

(c) Treasury shares

Treasury shares are shares in Australian Clinical Labs Limited that are held by Australian Clinical Labs Employee Share Trust ('ACLEST') for the purpose of providing shares under Australian Clinical Labs Limited Rights Plan.

Date	Details	Number of shares	Value of shares
6 months to 31 Dec 2025			\$'000
1/07/2025	Opening balance of the Group	(1,324,497)	(5,208)
Various	Transfer of shares to employees to satisfy exercise of rights	327,062	946
31/12/2025	Closing balance of the Group	(997,435)	(4,262)

Date	Details	Number of shares	Value of shares
12 months to 30 June 2025			\$'000
1/07/2024	Opening balance of the Group	(1,594,237)	(6,213)
Various	Transfer of shares to employees to satisfy exercise of rights	269,740	1,005
30/06/2025	Closing balance of the Group	(1,324,497)	(5,208)

Note 12: Dividends

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
(a) Dividend paid during the half-year		
Final dividend for the year-ended 30 June 2025 of 9 cents per share (2024: 9 cents) paid on 23 September 2025, fully franked.	17,621	18,165
(b) Dividends not recognised at the end of the half-year		
Interim dividend for the half-year ended 31 December 2025 of 3.75 cents per share (2024: 3.5 cents) with a record date of 13 March 2026 and payable on 31 March 2026, fully franked.	7,208	7,020

Note 13: Contingencies

Contingent assets

During the 2022 financial year, one of our laboratories based in Queensland was flooded with extensive damage caused to the laboratory equipment and consumables on hand.

At 31 December 2025 the insurance claim had not been verified in its entirety and as such a receivable for the balance of the claim has not been recorded at 31 December 2025. The Group has received progress payments from the insurers with insurance income recorded in the statement of profit and loss in the prior year totalling \$0.2m.

The Group has a contingent asset for the remaining balance of the claim that has yet to be quantified and verified by the insurers, which has not been recognised in the financial statements.

Notes to the consolidated financial statements *cont.*

for the half-year ended 31 December 2025

Note 14: Net Tangible Assets Per Ordinary Security

Net tangible assets per ordinary security	31 Dec 2025	30 Jun 2025
Net tangible assets per ordinary security	\$(0.07)	\$0.03
Net asset backing per ordinary security	\$0.79	\$0.88

The above includes right-of-use assets and liabilities recognised in accordance with AASB 16 *Leases*.

Note 15: Subsequent Events

Since the end of the financial period, the Directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

For personal use only

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 20, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Stephen Roche
Chair
14 February 2026



Melinda McGrath
CEO and Executive Director
14 February 2026

For personal use only

Independent Auditor's Review Report

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Australian Clinical Labs Limited
Report on the Half-Year Financial Report



Conclusion

We have reviewed the half-year financial report of Australian Clinical Labs Limited, the "Company" and its controlled entities "the Group" which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Australian Clinical Labs Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

B POWERS

Partner

14 February 2026

PITCHER PARTNERS

Melbourne

Pitcher Partners. An independent Victorian Partnership ABN 27 975 255 196. Level 13, 664 Collins Street, Docklands, VIC 3008
Pitcher Partners is an association of independent firms. Liability limited by a scheme approved under Professional Standards Legislation.
Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities

Adelaide Brisbane Melbourne Newcastle Sydney Perth

pitcher.com.au

For personal use only

Corporate Directory

Company's registered office and principal administrative office

Australian Clinical Labs Limited

1868-1892 Dandenong Road
Clayton VIC 3168

Tel: 1300 453 688

Share registry

Link Market Services

Level 12
680 George Street
Sydney NSW 2000

Tel: 1300 554 474

For personal use only

www.clinicallabs.com.au



Australian Clinical Labs Limited
1868-1892 Dandenong Road
Clayton VIC 3168